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Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Staff photo by Arnold Adler

Don Ohlmeyer, chairman of Ohlmeyer Communications Cos., sits in front of his many awards for television productions.

Ohlmeyer loss

RJR Nabisco takes back $200M in broadcast buying

By VERNE GAY

RJR Nabisco has grabbed its $200 million broadcast-buying account away from Ohlmeyer Communications Cos. and taken it in-house.

RJR Nabisco also pulled from New York-based Ohlmeyer all its golf-related promotion activities and snapped up several top Ohlmeyer executives.

John Martin, former Ohlmeyer president and a longtime associate of Chairman Don Ohlmeyer, joined RJR Nabisco, Atlanta, last week as an exec VP to head up its corporate communications and the sports-promotion functions formerly handled by Ohlmeyer. The corporate board is expected to approve his appointment Nov. 18.

RJR Nabisco owns about 50% of Ohlmeyer, but industry observers say the relationship between the two has soured. RJR has been unhappy with Ohlmeyer's sports-promotion performance, sources say, and Ohlmeyer has been upset with the increasing load of promotional and advertising responsibilities from RJR.

Whether this will lead RJR Nabisco to sell its stake back to Mr. Ohlmeyer or to

(Continued on Page 92)

Good news: Consumers bounce back

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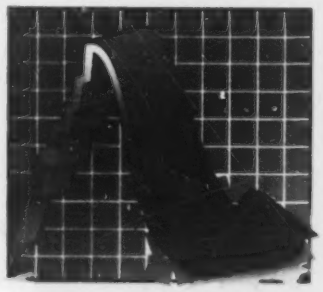
CHICAGO—Consumer optimism took a dramatic upturn last week, the first time since the stock market's Oct. 19 "Black Monday" plunge.

Also, the first hard numbers showing automobile and retail sales since that day indicate Main Street America's buying habits were not immediately affected.

The only sour note is that Christmas spending may still be off this year, compared with 1986.

The ADVERTISING AGE "Consumer Misery Index," measuring consumer buying attitudes, showed decided drops in the percentage of people who plan to cut back on buying food, eating out, driving, buying gasoline and buying clothes *(see chart on Page 91)*.



Also, few people now feel this is a worse time to buy a home or a new car, purchase air travel or invest in stocks.

The conclusions are based on interviews with 1,302 adults over five successive surveys, including 200 adults surveyed on Nov. 3 and 4, by Leo J. Shapiro & Associates, a consumer research company here.

"The stock market crash shows its first signs of slipping from the nation's consciousness," the survey concluded.

There is a growing belief the stock market's behavior will not lead to a recessionary economy. The percentage of people who said the near-crash made no difference to them or their families has remained between 75% and 79% through five surveys.

But in terms of how important it is likely to be in their own lives, only 10% gave it a "most important" rating, down from a high of 15%.

On the automotive front, Chrysler Corp., Ford Motor Co. and General Motors Corp. each reported hefty increases in sales of light-duty trucks in October, an indication the market has become "price-sensitive," said Cynthia Certo, analyst with Integrated Automotive Resources, Wayne, Pa. Most light trucks are priced below the average car.

Led by Ford's 15.1% gain, U.S.-based automakers posted a total car sales increase of 1.3% for the Oct. 21-31 period this year, compared with 1986.

"We have seen an expected and normal increase in our car sales as the month progressed," said Louis Lataif, VP-sales operations for Dearborn, Mich.-based Ford's North American Automotive Operations.

Sales of low and mid-range import nameplates generally held their own, too. Toyota sales were up 9.5% and Honda sales were up 4.3% for the entire month.

But luxury-car importers may be the first consumer-product marketers to take a big hit from the stock market dive.

BMW was off 11.2% for October; Jaguar, 20.8%; Mercedes-Benz, 25.7%; Porsche, 30%; and Volvo, 26.8%.

The sluggish sales pace for luxury cars flies in the face of traditional auto-marketing wisdom, which holds that the most af-

(Continued on Page 91)

Last Minute News

Pepsi asks BBDO to pitch Slice

SOMERS, N.Y.—Pepsi-Cola Co. has invited its main agency, BBDO Worldwide, New York, to pitch the estimated $30 million Slice soft-drink account now at J. Walter Thompson USA, sources say *(see related JWT story on Page 3)*. A Pepsi spokesman confirmed the company is looking at new advertising approaches from both BBDO and JWT as the four-flavor line moves from an introductory to an established status. JWT's only other Pepsi business in the U.S. is Jake's, a test product.

Alfa Romeo frees $14 million account

MILAN—Italian automaker Alfa Romeo is seeking a new agency for $14 million in business in seven European countries and eventually may look for one agency to take care of its account on a worldwide basis. The automaker is leaving Lintas:Worldwide, London, because

(Continued on Page 8)

Malone shows off cable power, P. 40.

Toyota to name agency for new upscale unit

Saatchi may get Lexus

By CLEVELAND HORTON

Toyota Motor Sales USA will name an agency this week to handle its estimated $60 million Lexus account, and all indications point to current agency Saatchi & Saatchi DFS' New York office as the winner.

The Torrance, Calif.-based car marketer is scheduled to make its announcement in New York on Nov. 10. That is 23 months before the first car from its new, upscale Lexus division hits the market.

Saatchi & Saatchi DFS in Torrence currently handles Toyota's $230 million account.

Neither Toyota nor Saatchi & Saatchi DFS executives would comment. Sources said, however, that the signs point to Lexus going to New York, where the agency is known as Saatchi & Saatchi DFS Compton.

Senior agency executives apparently convinced the leading automotive importer in the U.S. that it will be able to service the account as a separate entity.

That separation is important to Toyota because the agency will have to develop an image for Lexus distinct from the regular Toyota line.

Saatchi has experience handling portions of the Toyota account separately. The agency created a retail advertising division 11 years ago to meet the needs of Toyota's dealer associations.

Toyota also realizes there is a relatively small number of agencies able to handle a large car account without facing a conflict.

By naming the Lexus agency almost two years before the division produces its first car, Toyota will give the agency plenty of time to familiarize itself with the account.

"We feel that we only get one

(Continued on Page 91)

Highlights

Soft-drink marketers thirsty for space 4
Smaller soft-drink companies are shifting media ad dollars to in-store merchandising to counter "calendar marketing agreements" between retailers and Coca-Cola and Pepsi-Cola bottlers. Faced with the tough decision of how to compete, second-tier marketers are questioning the value of advertising as consumers become increasingly influenced by price.

Ad Review: How novel 12
Magazine advertising sure is getting to be fun. There was a time when advertisers were content to combine artwork, headlines and body copy to present a persuasive sales message, but that tired, old strategy is definitely on the wane. What we have now is Reader Involvement, wherein the process of flipping through a magazine becomes an exercise in arts and crafts.

Agencies promote promotion 32
Major ad agencies, faced with declining ad spending and marketers' growing dependence on sales promotion, continue to expand promotional capabilities via acquisition. The search may intensify because current economic conditions could accelerate marketers' use of promotion.

Tuning in on Malone 40
While a spectator at the 1984 Olympic Games in Los Angeles, former ABC Chairman Fred Pierce was handed a letter from John Malone. In it, the president of the nation's largest cable-systems operator informed Mr. Pierce that he would switch off ABC's ESPN at midnight unless Mr. Malone heard from the ABC boss by 5 p.m. End of message. The most powerful executive in cable TV can afford to throw his weight around. Many observers believe he will not stop until he is the most powerful man in television.

Touring the auto ad showroom 78
To cut through the advertising clutter produced by more than 40 U.S. automakers, ADVERTISING AGE has traced the recent evolution of advertising by the six biggest auto advertisers. Since the 1988 model year began, some automakers have unveiled new creative advertising approaches, some have repositioned their cars for a different audience, while others are sticking close to last year's strategies.

Rax feasts on all-you-can-eat 87
The "smorgasbord" is making a comeback, and at least one fast-food chain is making it the cornerstone of its market positioning. Rax Restaurants last week began a TV campaign to introduce its Lunch Bar and Dinner Bar, two all-you-can-eat buffets that the chain expects will establish a strong price/-value image. With the uneasy economic outlook, that positioning could be especially important.

INTERNATIONAL

French shops still plan going public 56
Undaunted by the volatile stock market, at least one French agency, Feldman Calleux & Associes, sees going public as a way to finance expansion, and others will probably follow. Other agency names surfacing are BDDP Group, RSC&G and Eurocom's Belier.

Chicken in China 57
The world's first fast-food outlet in China, a 500-person capacity Kentucky Fried Chicken restaurant, is thriving since it opened early last month. Though open for a month, the official grand opening is Nov. 12, and a media extravaganza is planned.

OTHER NEWS

While circulation at a trio of "national" newspapers continued to climb, major metropolitan dailies posted mixed results for the six months ended Sept. 30, according to the Audit Bureau of Circulations' latest FAS-FAX report. Page 12.

Nestle Foods Corp. will cultivate consumer tastes for its specialty chocolates with its first retail store in Atlanta. The retail experiment continues Nestle's attempt to market products that appeal to upscale consumers. Page 28.

The agency that wins a $15 million assignment to market U.S. Olympic coins next year will face some major international competition. Page 43.

Saab-Scania hopes to fly past its European sports sedan competitors by linking its cars to its parent company's aircraft division. Page 70.

Now that Kim LeMasters is sitting all alone in the CBS programming hot seat and the November sweeps are upon him, he must set priorities for the rest of the new fall season. Page 80.

The publishers of *California Business* are starting a new monthly on Los Angeles-area business despite rumors the magazine is on the block. Page 82.

SPECIAL REPORT

***Sports Marketing**—Everything from football to fat-tire bike racing is getting corporate backing these days as advertisers jump on one of the hottest promotional monsters yet. This year, more than 3,400 companies will spend at least $1.35 billion sponsoring sporting events, compared with an estimated $300 million in 1983. The 1988 Olympics Games alone already have tallied some $370 million in corporate support. Starts after Page 50.*

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U.S. drops Ayer probe

Army issue over?

By JANET MEYERS

The U.S. Attorney has dropped a four-year investigation into N W Ayer's handling of the Army account.

Although the investigation produced only one individual guilty of wrongdoing, it resulted in Ayer losing the $100 million account—at the time its largest—and forced the New York agency into a public battle to protect its honor.

"The U.S. Attorney's decision leaves us with a profound sense of relief that our confidence in the honor and integrity of Ayer is vindicated at last," agency Chairman Louis Hagopian said in a Nov. 6 memo to agency staff.

Mr. Hagopian had fumed late last year when, in the 11th hour of a review of the account Ayer had handled for 19 years, the Army suspended the agency from all government work. The suspension, slated to expire in a few weeks, effectively knocked Ayer out of the review for a five-year, $500 million contract.

Young & Rubicam was awarded the contract in January.

Ayer filed suit in U.S. Claims Court in Washington in January, seeking to overturn the suspension and recoup the $525,000 it spent on its aborted presentation to keep the account. Ayer had served the Army nearly unchallenged for years; it created the successful "Be all you can be" theme.

Mr. Hagopian refused comment on whether Ayer will pursue its suit against the Army.

"We were on the brink of taking steps to reactivate it," said Gerald Norton, partner at Pepper, Hamilton & Scheetz, the Washington law firm handling the suit. The U.S. Attorney's action, he said, "raises a range of questions."

The Department of Defense's Criminal Investigation Service, which was operating a separate investigation in tandem with the U.S. Attorney (southern district of New York), declined to reveal whether it would drop its probe.

The government last year charged Ayer had rigged bids, inflated time cards and was responsible for the conduct of Jack Bidus, the sole person charged in the case. Mr. Bidus, an Ayer VP, was charged with collecting $60,000 over 12 years in kickbacks from Saul Leyton, president of Hurrah Productions, a small production house.

Mr. Bidus, arrested in late 1985, pleaded guilty to the charges in April 1986, a month before the Army announced it would review the contract in the middle of its five-year run. That made the timing of Ayer's November 1986 suspension curious, because the Army easily could have suspended the agency soon after Mr. Bidus' sentencing.

But subsequent papers requested from the Army revealed that the U.S. Attorney also believed it was close to indicting Thomas Donoghue, an Ayer public relations VP.

However, the U.S. Attorney evidently never developed a strong enough case to indict Mr. Donoghue and ceased its investigation of him.

Apparently, the Army's only solid evidence came from Messrs. Bidus and Leyton, who for months supplied information to investigators about alleged schemes in which Ayer creative people supplied low-bid information to favored subcontractors.#

More advertisers jump in

Cable TV ad sales soaring

By WAYNE WALLEY

Cable TV is exploding as major advertisers look for alternatives to the estimated 20% increase in fourth-quarter broadcast network TV prices.

Industry analysts expect from 20% to 40% increases in annual and/or fourth-quarter sales at each cable network as the industry tops the $1 billion ad revenue mark for the first time.

Every major cable network—Arts & Entertainment, Cable News Network, CBN Cable Network, CNN Headline News, ESPN, Lifetime, MTV: Music Television, The Nashville Network, Nickelodeon, Superstation TBS, USA Network and VH-1: Video Hits One—reports scores of new advertisers amid the tightest fourth-quarter marketplace in cable history.

Many observers predict cable will exceed earlier projections that revenues would jump 19% to $1.1 billion this year.

In contrast, the Big 3 broadcast networks expect a 5% to 7% increase, to about $9 billion.

Many advertisers recently have bought cable for the first time. They include Adidas USA, Campbell Soup Co., Dannon Co., Duracell Inc., Eastman Kodak Co., Ford Motor Co.'s Lincoln-Mercury Division, E&J Gallo Winery, Lever Bros., National Dairy Board, Nintendo of America, Perrier Group, Polaroid Corp. and Timex Corp.

"A lot of advertisers may not have come on cable except for the tight network marketplace," said John Barbera, New York-based senior VP-sales for CNN and Headline News. "We needed a breakthrough to convince new advertisers to try us. This is it."

Prime-time programs on A&E have been at near "sold out" levels for four months. CBN sales for the fourth quarter are up 41% compared with last year; TNN's fourth-quarter sales are up 30.6%. CNN's annual ad revenues are up 20% this year; Superstation TBS will pull in 15% to 20% more in ad revenues this year. Nickelodeon's revenues are triple its 1984 results, while its nighttime programming counterpart, Nick at Night, has doubled its 1986 revenues. USA Network

(Continued on Page 92)

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AD REVIEW

Don't gimme gimmicks

Novelty ads flood media

By BOB GARFIELD

Last week's *Time* had a four-page spread for Merit cigarettes; open it up and a sailboat mainsail pops right out at you, with coupon attached. Gosh!

Glamour has tipped-in cards with microencapsulated Poison and Ciara perfumes and a peel 'n' brush blusher sample from Maybelline Co. I didn't try the blusher, but I can say without hesitation that the intermingling of Poison and Ciara smells better than rancid Crisco.

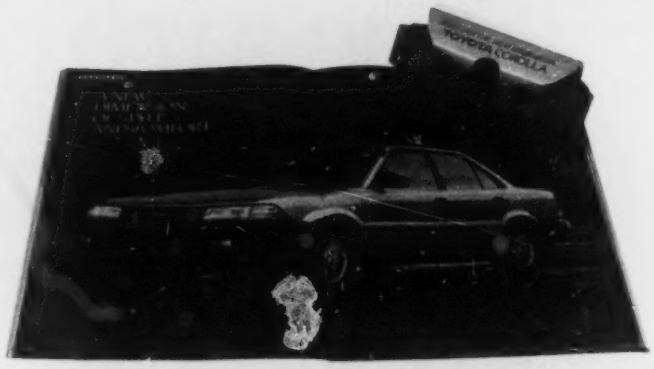
Magazine advertising sure is getting to be fun. There was a time when advertisers were content to combine artwork, headlines and body copy to present a persuasive sales message, but that tired, old strategy is definitely on the wane.

What we have now is Reader Involvement, wherein the process of flipping through a magazine becomes an exercise in arts and crafts.

Honeywell Inc. gave *Business Week* readers a pop-up of an entire factory/office complex. The importers of Absolut vodka and Canadian Mist liqueur are bringing us holiday music via microchip.

One of these days somebody will attach a blasting cap to a high-gloss gatefold. The reader tugs at it, and . . . KABOOM!

The ultimate attention-getter, eh?



Toyota Motor Sales USA gave Saatchi & Saatchi DFS the go-ahead to include cardboard binoculars in a spread that focuses on its new slogan, "The new dimension in driving."

But the question is, as advertisers grope for ever-niftier novelties in the battle for better Starch INRA Hooper recall scores, once you have reader attention: Then what?

Take Saatchi & Saatchi DFS' brainstorm on behalf of Toyota Motor Sales USA. To point up its "The new dimension in driving" slogan, the automaker tips in detachable cardboard binoculars—yes, binoculars—providing a Viewmaster-like 3-D image of a Toyota Corolla. I believe this ad, featured in Time Inc. books, cost a fortune.

But, boy oh boy, is it ever a grabber! It grabs you right into a conventional four-page spread that is so turgid, ordinary and uncompelling that you'd wonder why anybody would want to call attention to it:

"The depth and beauty of the new 1988 Corolla LE Sedan is not an illusion. It's a reality. Refined chassis engineering plus front-wheel-drive offers the superiority of a quieter ride and . . ." Zzzzzzzz.

Call me an old fogy, but I think the money and energy behind this gimmick would have been expended better on an arresting sales pitch.

That is not, however, to condemn all value-added print advertising. It's simply a call to reason, a suggestion that agencies and clients ask a few questions. To wit: Does my perfume sample get lost in a cloud of competing fragrances? Does my expensive microchip music do anything to increase my ad's memorability? Does the hysteria to produce a more novel novelty ad distract from the business of selling?

Am I, in short, using an Atlas II booster to launch a spitball?#

Editor's note: Philip Morris USA 's Merit ads are handled by Leo Burnett USA, Chicago; Maybelline is handled by the Bloom Agency, Dallas; Honeywell, BBDO Worldwide, Minneapolis; Revlon Group's Ciara, in-house; Christian Dior's Poison, in-house; GrandMet USA's Absolut vodka, TBWA Advertising, New York; Brown-Forman Co.'s Canadian Mist, Ally/Gargano MCA, New York.

National newspapers gain

'USA Today,' 'Journal' post higher circulation

By GARY LEVIN

While circulation at a trio of "national" newspapers continued to climb, major metropolitan dailies posted mixed results for the six months ended Sept. 30, according to the Audit Bureau of Circulations' latest FAS-FAX report (AA, Nov. 2).

Both dailies in Boston suffered circulation losses during the period, compared with year-earlier totals, while the two major papers in Minneapolis and St. Paul had increases as each expanded its marketing area.

In Chicago, Houston, Los Angeles and New York, leading dailies gained at the expense of their No. 2 or No. 3 rivals.

The figures were released as agency, advertiser and media executives prepared to meet this week in San Francisco for the ABC's annual conference.

Average daily sales of Gannett Co.'s *USA Today* jumped 12.3% to 1,324,223, as the paper celebrated its fifth anniversary. *The Wall Street Journal* was up 0.5% to 1,961,846, while *The New York Times* rose 2.1% daily to 1,022,899, and 0.3% Sunday to 1,589,290.

Among remaining New York papers, the *Daily News* was up 1.2% daily and 1.1% Sunday *(see chart)*. The gains for the Tribune Co. daily appear to have eroded circulation further at the *New York Post*, which declined 5.6%, or more than 40,000 copies, to 690,915. The *Post* does not publish a Sunday edition.

Times Mirror Co.'s *Newsday*, the Long Island-based daily that recently has made gains in Manhattan and elsewhere in the region, jumped 6.3% daily to 641,363, and 2.3% Sunday to 682,018.

In Chicago, the *Tribune* widened its lead over the *Sun-Times*, gaining 2.7% daily and 0.5% Sunday. The *Sun-Times* fell 1.3% and 1.9%, respectively.

The *Los Angeles Times* continued to dominate that market, gaining 2.5% daily and 2.7% Sunday. The much smaller *Herald-Examiner* fell 1.1% daily and 2.9% Sunday, while the *Daily News* gained 3.8% and 6.0%, respectively.

The *Orange County Register*, in nearby Santa Ana, Calif., posted a 3.1% daily gain, to 317,331, and a 4.2% Sunday increase, to 362,404.

Its Sunday circulation nears the combined total for the No. 2 and No. 3 Los Angeles dailies.

Sales of the *Houston Post* were down 2.1% daily and 3.7% on Sunday, falling to 301,100, and 347,052, respectively.

The *Chronicle's* average daily circulation was 406,776, an insignificant gain, and 534,771 on Sunday, up 0.8%.

Detroit dailies, fighting for approval of a joint operating agreement, had mostly bad news in terms of circulation. Knight-Ridder Newspapers' *Free Press* was down 1.1% daily and 1.9% Sunday; Gannett Co.'s *News* gained 0.8% daily but lost 0.3% Sunday.

The rechristened *Star Tribune*, "newspaper of the Twin Cities," and the *St. Paul Pioneer Press Dispatch* each had gains averaging 2.6% daily and Sunday as both made inroads into their competitors' turf. The *Star Tribune* removed Minneapolis from its masthead and began an expanded circulation drive by creating three regional editions.

In Denver, the *Rocky Mountain News* continues to be the better-selling daily paper, gaining 1.5% to 332,114, while the *Post* also gained 1.5% to 230,471. On Sunday, however, the *Post* continues to lead despite a 5% circulation drop to 404,271.

The *News'* Sunday sales were up 1.6% to 373,206.

In a more lopsided competition, the *Washington Post* gained 1.8% daily and 1.6% Sunday, while the *Washington Times* lost 12.2% daily, falling to 91,508, or nearly one-eighth the *Post's* daily total.

The *Times* does not publish on Sunday.

Dallas dailies did not report figures because of pending litigation in which the ABC is named as a defendant.#

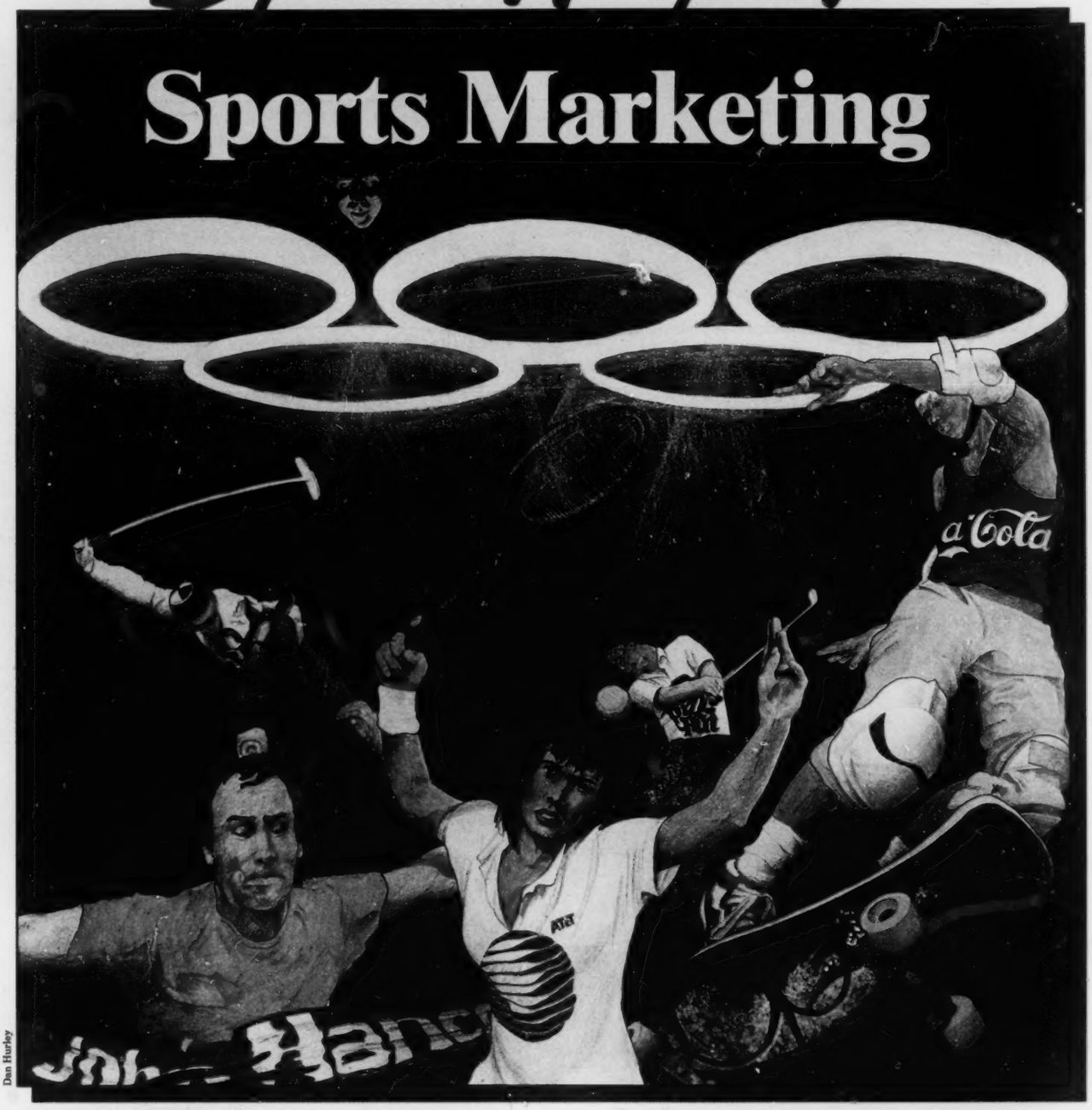
Newspaper circulation results mixed

Average paid circulation for the six months ended Sept. 30, 1987, for competitive major market newspapers. Because of pending litigation, Dallas newspapers are not included in the FAS-FAX report. *Source:* Audit Bureau of Circulations.

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
BOSTON				
Globe	502,521	−2.7	781,407	−2.9
Herald	355,355	−1.2	265,401	−1.3
CHICAGO				
Sun-Times	604,862	−1.3	613,940	−1.9
Tribune	765,371	2.7	1,117,275	0.5
DENVER				
Post	230,471	1.5	404,271	−5.0
Rocky Mountain News	332,114	1.5	373,206	1.6
DETROIT				
Free Press	649,312	−1.1	732,699	−1.9
News	686,787	0.8	837,511	−0.3
HOUSTON				
Chronicle	406,776	0	534,771	0.8
Post	301,100	−2.1	347,052	−3.7
LOS ANGELES				
Herald-Examiner	238,811	−1.1	195,009	−2.9
Daily News	159,348	3.8	174,767	6.0
Times	1,113,459	2.5	1,384,857	2.7
MINNEAPOLIS/ST. PAUL				
Pioneer Press/Dispatch	193,075	3.0	251,484	2.4
Star Tribune	389,410	2.8	629,845	2.2
NEW YORK				
Daily News	1,285,869	1.2	1,615,038	1.1
Post	690,915	−5.6	NA	NA
Times	1,022,899	2.1	1,589,290	0.3
WASHINGTON				
Post	761,142	1.8	1,096,725	1.6
Times	91,508	−12.2	NA	NA

Special Report

Sports Marketing



Dan Hurley

Companies learn to play the game

By Wayne Walley

Athletes won't be the only ones competing for gold at the 1988 Winter and Summer Olympics.

Corporate America, as it did in 1984, is rushing to support the Games in Calgary and Seoul to the tune of at least $370 million. Some predict companies will spend as much as $400 million in sponsorships before the Olympic flame is lit, and $500 million touting the Olympic association.

But this is only a drop in the bucket when it comes to the nation's hottest promotional monster—sports marketing.

Everything from the big three professional sports—football, baseball and basketball—to offbeat events like beach volleyball and fat-tire bike racing are finding eager advertisers ready to pony up cash for an identifiable link.

Lesa Ukman, editor of Chicago-based industry newsletter *Special Events Report*, estimates more than 3,400 companies will spend at least $1.35 billion this year in fees just to sponsor sports-related events, compared with an estimated $300 million in 1983. And some 400 corporations have formed event-marketing departments with separate budgets. Only 10 existed in 1982.

Bob Dowling, publisher, *Sports Marketing News*, Westport, Conn., says total sports spending by advertisers will exceed $6 billion this year if the analysis includes athletes' endorsement contracts, commercial time sold within sports telecasts, sporting event sponsorship budgets and other related expenses.

In its original form, sports marketing merely concerned hiring an athlete to endorse a product. Who can forget Joe Namath in pantyhose? And personal endorsements remain a viable option. Arnold Palmer pockets $6 million a year from his contracts with The Hertz Corp., PaineWebber Inc., Pennzoil Co. and others. Jim McMahon has been in more commercials

(Continued on Page S-2)

Top corporate spenders on sports marketing

Company	Sponsorship budget*
1. Philip Morris Cos.**	$85
2. RJR Nabisco	58
3. Anheuser-Busch Cos.	50
4. Adolph Coors Co.	12
5. Coca-Cola Co.	10

*$ in millions
**includes Miller Brewing and General Foods
Source: Special Events Report, Chicago.

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Director of Sports Marketing

Companies learn the game

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than football games the past year, picking up an estimated $3 million.

But many companies believe that linking their image to individuals is risky—particularly in light of drug problems among athletes and other image-crippling fiascos—leading them to tie in with events instead. The strategy offers longer-term stability and can help build a stronger image.

The biggest annual sports sponsorship spenders, according to *Special Events Report*, are Philip Morris Cos., RJR Nabisco and Anheuser-Busch Cos. with annual budgets of $85 million, $58 million and $50 million, respectively. The expenditures are less than 10% of their annual ad budgets.

"These companies aren't spending more each year; it remains pretty constant. But more companies are spending money in the category. That's where the growth is, and it will continue to grow," says Delbert Wilber, president of DelWilber + Associates, McLean, Va., a special events marketing specialist.

The cost of buying TV time is more expensive despite lower ratings, so companies are looking for more efficient options, contributing to the category's growth. Sports often is used for product introductions, to increase name awareness or as a way to compete with a regionally dominant brand.

"Companies also recognize sponsorship can build an affinity or a bond with the consumer," says Mr. Wilber. "More advertisers are starting to create sales promotions in tandem with sponsorship, too. If you have a theme and event exclusivity, you stand out. And if you spend the money on a local sweepstakes tied in with the event, you can see the results."

Volvo North America Corp., Rockleigh, N.J., claims the number of impressions—one person seeing Volvo's name one time—generated from its $3 million tennis sponsorship expenditures last year were worth $25 million in media advertising.

Another example is Frito-Lay, a DelWilber client that wanted to increase sales of Ruffles potato chips in New York. The Plano, Texas-based company signed a two-year agreement to become the "Official snack food of the New York Yankees." Then Frito-Lay started a Memorial Day promotion, "Win with the Yankees in Boston." The results: Sales during the 1987 Memorial Day weekend increased 21.5% over the previous year.

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